



# Atlantic East

## NANTUCKET REAL ESTATE

508-228-7707

5 North Water Street  
Nantucket, MA 02554  
[www.NantucketRealEstate.com](http://www.NantucketRealEstate.com)



# N A N T U C K E T

## V I E W F R O M T H E I S L A N D

We are having a great fall on Nantucket with prolonged Indian Summer. The Cranberry Harvest Festival was held last weekend and family scalloping season started on October 1st in a promising way. We are grateful to all of the people who have helped us get to our 8th year in business - we thank you!

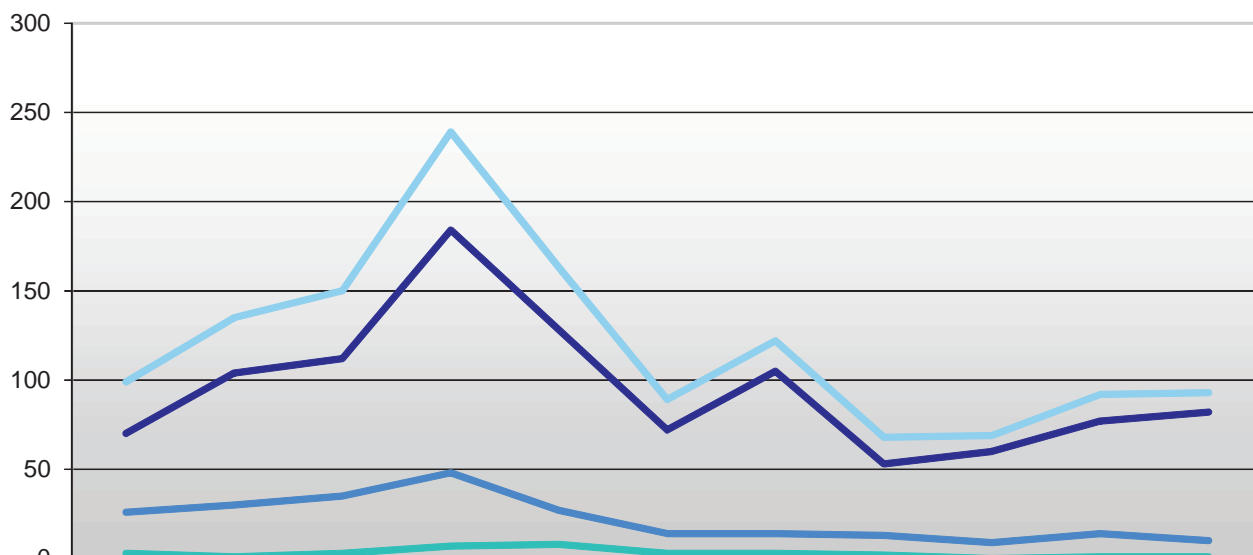
**The market has improved from a few years ago.** People are actively interested in purchasing property on Nantucket and they are making offers and buying. We are not at the highs of 2004/2005 but it appears that a steady, incremental uptick is occurring. Last year ended up being considerably better than 2009; we were on track for 2011 to be similar to 2010 until the financial markets put a chill on Nantucket real estate in mid-summer. As long as the stock market is negatively impacted by European economic issues, and the banks are still dealing with short sales and foreclosures, it will be slow going. At the same time, there is a segment of qualified buyers who can move quickly. When the right property comes available for them, they are buying.



Reflecting the nation's recent economic turmoil, particularly with regard to real estate, demand for Nantucket property has dropped with the number of sales declining from the peak in 2004 of 776 transactions to 364 in 2010. Through the 3rd quarter of 2011 there have been 249 transactions: 214 residences, 27 parcels of land and 8 commercial properties. Although the volume of sales is increasing slightly, the dollars that those sales represent is down, largely due to the activity at the lower, and distressed, market sectors. Total sales dollars as of the 3rd Quarter of 2011 were \$363 million compared to \$448 one year ago, a decrease of 19%.

*Continued on Page 2.....*

### Nantucket 3rd Quarter Sales Comparison



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Houses	70	104	112	184	128	72	105	53	60	77	82
Land	26	30	35	48	27	14	14	13	9	14	10
Commercial	3	1	3	7	8	3	3	2	0	1	1
Total	99	135	150	239	163	89	122	68	69	92	93

## MARKET NEWS

**The average price of Nantucket property is declining less than it was.** The average price of a house on Nantucket is now \$1,414,000; the median price is \$989,000. The average price of a vacant lot on Nantucket has risen to \$2,004,000; median price is \$840,000, due to the sale of two large parcels of vacant land. There are currently 700 properties for sale on Nantucket, with an average selling time of 8.5 months, the same as in 2010.

**The average selling price, as a percentage of list price is 91.27%.** The average selling price as a percentage of the Assessed Value is actually up this year to 92%, from 89% in 2010. These statistics reflect the fact that people who want to sell have lowered asking prices to realistic numbers, thus getting a higher percentage of their asking price. Everyone is more educated after almost 5 years of a recessionary market.

**What types of properties are selling now?** High end, waterfront and water view properties, and, on the other end of the spectrum, foreclosed homes, and short sales are seeing sales activity. Buyers have a huge inventory to choose from and they are taking their time, and many of them are making aggressively low offers. At the same time, turnkey homes are sought after, and buyers will pay a premium for them, even in the present market. Banks have very attractive rates, and they are actively seeking loan customers. One of the financing challenges right now is low appraisals which make mortgage approvals more difficult.

**The sale of vacant land is slowly recovering.** There have been 27 land sales through the 3rd Quarter compared to 43 for all of 2010. Many buyers understand the inherent value of land and it is the best time to build on Nantucket in decades. Quality contractors are available and pricing has become more competitive in response to market conditions.

**What about foreclosures and short sales?** We have far fewer foreclosures than the rest of the nation, but we have a small percentage, as well as many "short sales", where the bank works with the sellers to help them sell their properties for less than the outstanding mortgage amount. Recovery may have begun, but buyers are still scarce (particularly with the recent downturn in the stock market and real concerns about the European markets) with most looking for bargains. Many buyers are also gravitating towards newer construction which puts the traditional, antique "Old Nantucket Home", cottage or pied-a-terre at some disadvantage.

**Good news on the vacation rental front!** The vacation rental market on Nantucket was very strong this season and, if this fall is any indication, it will be even better in 2012. Early bookings are up and tenants are willing to spend money for amenities such as pools, waterfront or view and houses that are very well equipped. Activity in the Nantucket rental market has historically been a harbinger of activity in the sales market.

# WHY PRICING CORRECTLY IN THE FIRST PLACE IS IMPORTANT

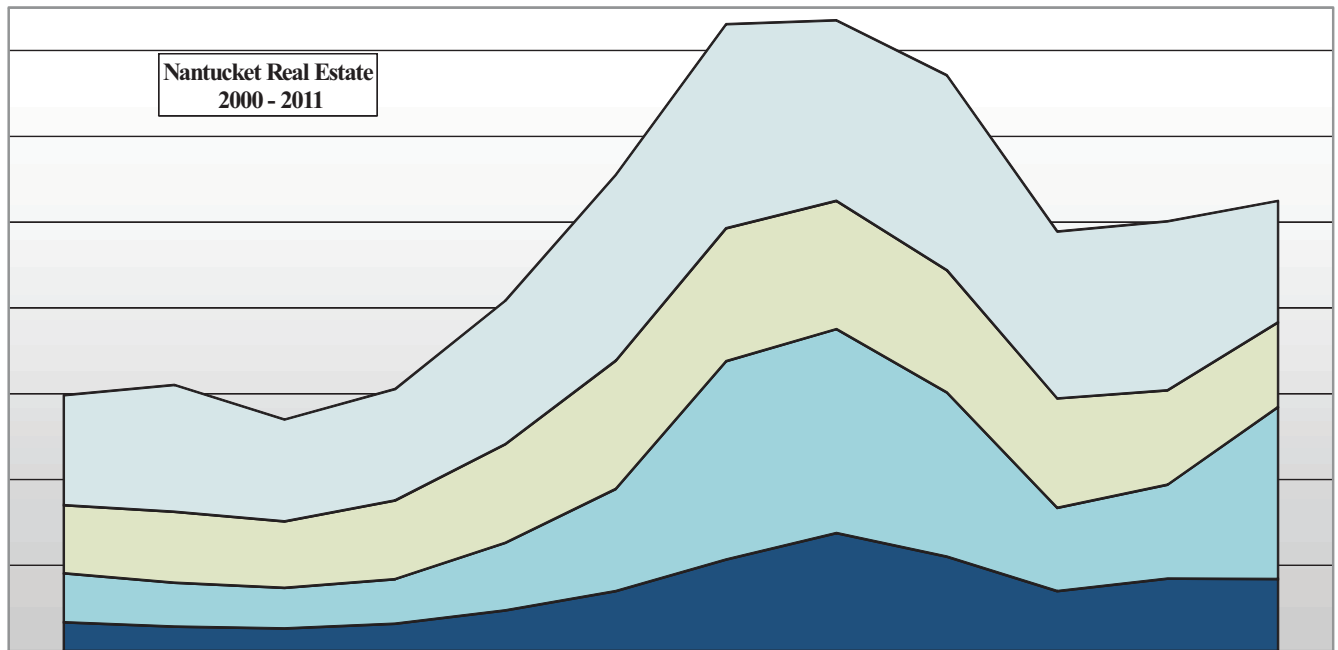
*“There are only two reasons that a property does not sell: the price or it is not listed for sale”.*



There have been a number of closings on Nantucket recently of properties that have been for sale for three years and longer. The owners priced their properties too high when they first listed and then chased the market down with multiple price reductions. Not only does this cost the seller time, it usually ends up costing them money – sometimes selling the property for considerably less money. We can cite numerous examples where, if the seller had taken the advice of real estate professionals in the beginning, they would have come out ahead. If they had sold the property earlier they would have had the proceeds working for them. The most certain way to establish value is to actually list the property and see how the market responds. In rare cases, in spite of pricing based on sound data, the property may still take longer to sell.

In a market such as we have now, buyers have many properties to choose from and because of this they will focus on those that they feel are most attractively priced in their sector. They will not even go look at those properties, no matter how nice they are or how many redeeming qualities exist, that are perceived as overpriced. Real estate agents will also dismiss these properties. This reduces the number of showings and, of course, offers.

The days of wishful seller pricing are gone; where a seller could overprice a property and expect to find someone willing to buy. Today, if a seller wants to sell, they must take into consideration current market conditions, comparable properties that have sold and competing listings. If they just want to list the property, and not sell, then they may end up being one of the 14 properties on Nantucket that have been for sale for over 1500 days! That is 4.11 years. Remember, no one has to buy property on Nantucket.



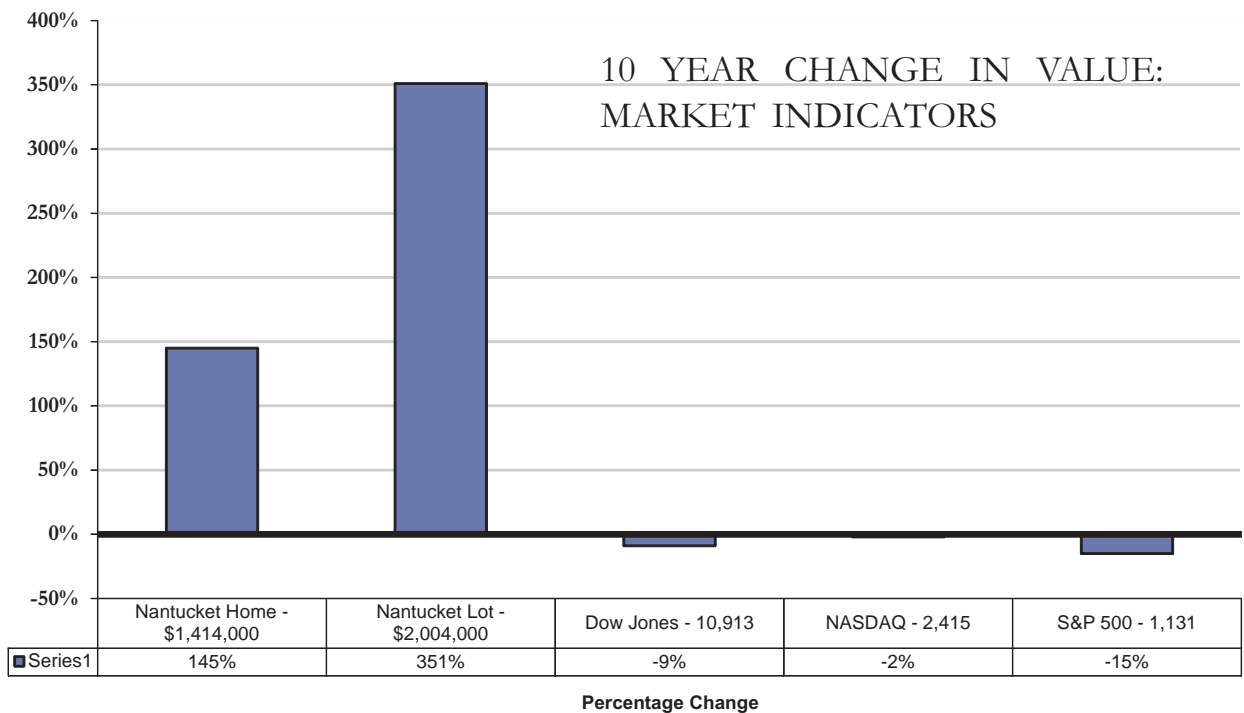
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
□ Average Home	\$1,281,000	\$1,478,000	\$1,187,000	\$1,297,000	\$1,672,000	\$2,164,000	\$2,378,000	\$2,103,000	\$2,271,000	\$1,945,000	\$1,970,000	\$1,414,000
□ Median Home	\$795,000	\$827,500	\$775,000	\$917,000	\$1,150,000	\$1,495,000	\$1,550,000	\$1,495,000	\$1,425,000	\$1,275,000	\$1,100,000	\$989,000
□ Average Lot	\$570,000	\$512,000	\$472,000	\$519,000	\$787,000	\$1,190,000	\$2,311,000	\$2,378,000	\$1,915,000	\$970,000	\$1,095,000	\$2,004,000
■ Median Lot	\$336,000	\$285,000	\$265,000	\$320,000	\$475,000	\$700,000	\$1,067,000	\$1,375,000	\$1,100,000	\$700,000	\$845,000	\$840,000

# WHAT DO ALL THOSE INITIALS MEAN?

People often ask us what the initials following a broker's name mean. Brokers obtain professional designations and certifications by taking more education than the minimum required by law. **At Atlantic East Nantucket Real Estate, we have one GRI, five ABR's and RSPS's, one MABR and one TRC!**

The **GRI** designation stands for Graduate of the Realtor Institute. The designation is achieved over a five year period by taking an additional 92 hours of education. The GRI symbol stands for professionalism and expert knowledge in one's field of real estate. On Nantucket there are only 8 brokers who hold the GRI designation. The **ABR** designation stands for Accredited Buyer Representative. With the change in agency laws in Massachusetts in 2005, most brokers now offer both Buyer Agency and Seller Agency. To obtain the ABR designation, in addition to the classes, the broker must represent buyers in 6 property sales. A broker with an ABR is educated and has expertise on the buyer side of the transaction. The **MABR** designation stands for Manager of Accredited Buyer Representatives and is earned by education and by being a principal broker of an office that has had 25 or more transactions in which the office represents the Buyer. **RSPS** means Resort and Second-Home Property Specialist and **TRC** means Transnational Referral Certification.

At **Atlantic East Nantucket Real Estate** we pride ourselves on our market knowledge and our commitment to staying on top of current legal, zoning and other issues in the real estate business. The more informed your agent is, the smoother a transaction is likely to be.

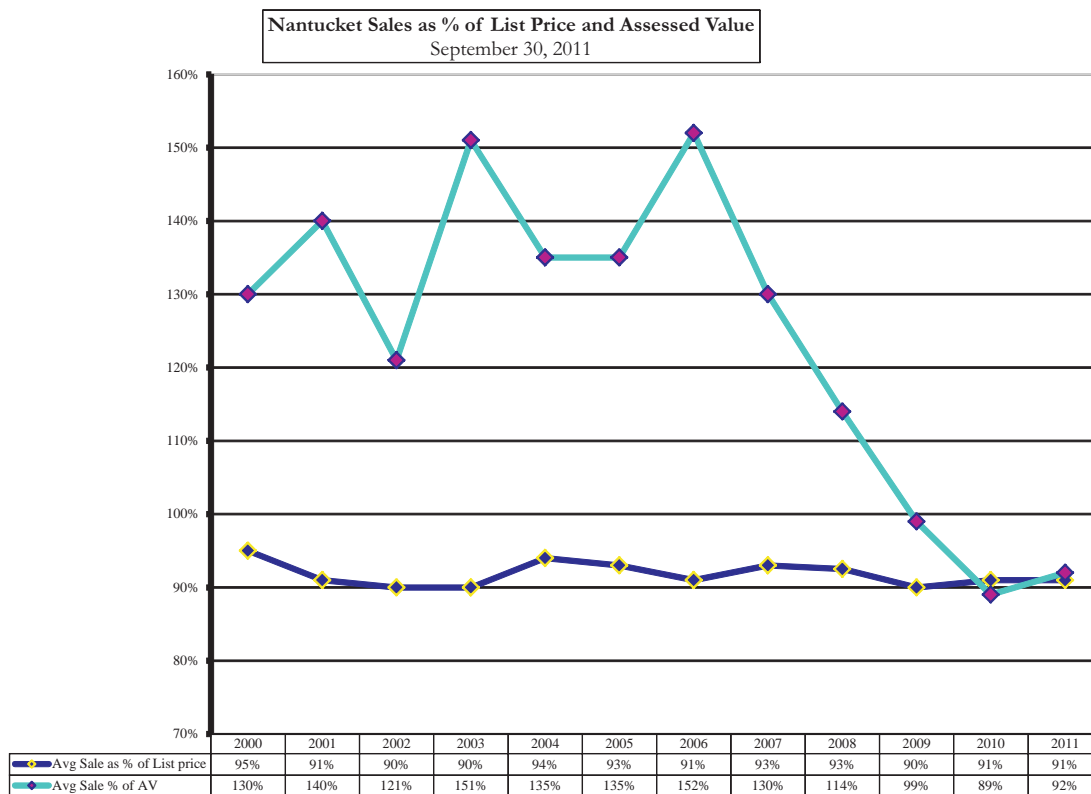


## NANTUCKET RENTALS

If you are a rental owner and have your property listed with us, you should have received the renewal forms for 2012. Please take the time to check them for accuracy, sign the contract, and get the forms back to us as quickly as possible. Rental inquiries are up significantly for 2012, as are bookings. The sooner we have your information, the more quickly we can secure you rentals.

If you are interested in booking a rental in 2012, do not wait! Many of the homes in high-demand locations such as on the water, and in the Cliff, Brant Point and Sconset areas, have many weeks booked already for next summer. The earlier you plan your vacation to Nantucket, the greater your options will be. It helps to have your rental locked in when the Steamship Authority starts to take summer vehicle reservations in late January. Contact one of our experienced agents for more insight into renting the perfect island home. We have a large inventory of quality homes and make every effort to arrange for hassle free vacations. [NantucketRealEstate.com](http://NantucketRealEstate.com)





## WHY WE PRACTICE DESIGNATED AGENCY

Prior to July of 2005 the majority of real estate agents in Massachusetts represented the Seller and not the Buyer in real estate transactions. Research determined that many buyers were not aware that their agent was actually working for the seller and, as a result, new agency laws were adopted permitting real estate offices to offer both Seller and Buyer agency. A critical piece of the new law is that consumers must be informed about how agency works and then sign an Agency Disclosure Form, acknowledging that they understand who works for them and who does not. The law requires that the Agency Disclosure Form must be presented, discussed, and signed at the first personal meeting to discuss a particular piece of property with a Buyer or Seller client. The change in the law has, from a practical standpoint, made it much easier to meet fiduciary responsibilities to a client, whether it be a Buyer or a Seller. The full fiduciary duties under single agency are: obedience to lawful instruction, loyalty, disclosure of material facts, confidentiality, accounting of funds and property and reasonable care and due diligence.

On Nantucket over 85% of all sales involve two offices: the listing office, representing the Seller, and the selling office, representing the Buyer. Agency is very clear in this scenario. However, it becomes more complicated if there is an in-house sale. If an office has the property listing and represents the Seller, they may elect to also represent the Buyer but **ONLY WITH INFORMED WRITTEN CONSENT** from both parties. This is called Disclosed Dual Agency and the agents in this case operate with a reduced level of fiduciary responsibility to each client. The agent may not advise either the Seller or the Buyer client.



An alternative to Disclosed Dual Agency is to practice Designated Agency under Dual Agency which is what we do here at Atlantic East Nantucket Real Estate. In Designated Agency, only one agent represents the Seller (the listing agent). An appointing agent (the principal broker) appoints another agent to represent the Buyer, each as Designated Agents. We feel that we can do a better job for our clients under Designated Agency as opposed to Dual Agency. There are fewer potential conflicts and we can better protect the interest of our clients. For more information about agency please contact your broker.

## NANTUCKET NOTES

**WELCOME TO GERI WALKER:** We are so pleased to welcome Geri as our new part-time Office Manager. Geri was raised on Nantucket and moved back to the island in 2008 after a career in television production in New York. Geri, her husband and daughter, Lily recently bought a home on Nantucket. Please say hello and introduce yourself to Geri when you stop in the office.



**HELP AVAILABLE FOR SEPTIC SYSTEMS:** The Town has received a \$1 million dollar grant from the State to assist homeowners with the cost of design and installation of new septic systems that have failed. Homeowners can apply for this funding and the expense will be added to their real estate tax bill amortized over 20 years at 2% interest. Please contact Richard Ray, Nantucket Health Inspector, in November for more information at 508-228-7226.

**LINK NANTUCKET:** LINK Nantucket is the multiple listing system being used by members of the Nantucket Association of Real Estate Brokers (NAREB) and, if you have an interest in Nantucket real estate, please make sure that you are signed up for complimentary client access through one of our agents. The service is constantly adding new features and it can be set up to receive information quickly on new listings, price changes and sales.

**CLEAN OUT THE PAPER AND BENEFIT THE NANTUCKET LIGHTHOUSE SCHOOL:** A few times annually, the Lighthouse School offers an opportunity to have your old documents disposed of securely. The giant shredder truck can dispose of a 20 lb. banker's box full of documents, staples and all, in seconds. It is easy and cost effective. Contact Sarah Ray at 508-228-5200 or [sarah@nantucketcribs.com](mailto:sarah@nantucketcribs.com) to make an appointment. As frequent participants, we highly recommend this service and the next event is on November 8th.

**COLD TURKEY:** We are proud to sponsor the 10th annual Cold Water Turkey Plunge to benefit the Weezie Children's Library at the Atheneum. Thanksgiving morning it is a sight to behold at Children's Beach as hundreds of intrepid souls brave the harbor waters. If you are not brave/foolish enough to actually take the plunge yourself, you can support the event in other ways. Check it out at: [NantucketAtheneum.org](http://NantucketAtheneum.org).



**38th ANNUAL CHRISTMAS STROLL:** The Christmas Stroll is a magical time on Nantucket with holiday activities beginning the day after Thanksgiving with the lighting of more than 100 decorated trees on Main Street. Festivities include the arrival of Santa and Mrs. Claus by Coast Guard cutter, caroling, the talking Christmas tree and great shopping bargains to be had. Stroll weekend is December 2-4 this year. Don't miss the annual wreath show at the Whaling Museum. For more information please visit: [NantucketChamber.org](http://NantucketChamber.org).

# ATLANTIC EAST NANTUCKET REAL ESTATE

Penny Dey, GRI, ABRM, Heidi Drew, ABR, RSPS, Ken Beaugrand

Yvonne Breslin, Jerry Crown, Peter DuPont, Ginger Ivey, Mary Malavase, ABR, RSPS, TRC

Jane Miller, ABR, RSPS, Erikka Perkins, Meg Ruley, ABR, RSPS Lisa Sherburne, ABR, RSPS, Era Sylvia,

Melinda Vallett, Geri Walker, Office Manager, Christine George Whelden, Soo Woodley

*We believe in doing one thing and in doing it well.*

5 North Water Street, Nantucket, MA 02554  
T: 508-228-7707 508-228-2530 1-800-228-4070

SEE ALL ISLAND LISTINGS WITH ONE CLICK at [NantucketRealEstate.com](http://NantucketRealEstate.com)

